

Council Report

THE INSURANCE COUNCIL OF MANITOBA - Quarterly Council Report



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Visit our Website!

To access information on licensing requirements, application forms, important notices, news and much more!

Website update coming in 2008!

www.icm.mb.ca

A LOOK INSIDE...
Welcome to new Council Member...
Harmonized Continuing Education Requirements...
and much more...

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RETURN UNDELIVERABLE CANADIAN ADDRESSES TO:
466-167 Lombard Avenue, Winnipeg, Manitoba R3B 0T6



IN MEMORY OF LOIS FEDAK BRODER

General Manager

THE INSURANCE COUNCIL OF MANITOBA

October 6, 2007



THE INSURANCE COUNCIL OF MANITOBA is saddened to announce the sudden passing of its General Manager, **Lois Fedak Broder**, on October 6, 2007 after a brief illness.

Lois began her insurance career in 1973 with the North West Travellers' Association, and held various positions in the industry including that of District Manager with Cooperators Insurance Financial Services.

Lois joined the INSURANCE COUNCIL OF MANITOBA in 1993 in the position of Licensing Coordinator, and assumed additional responsibilities as Director of Licensing and Investigation in 1996 until being appointed to the role of General Manager in 2001.

During her association with the INSURANCE COUNCIL OF MANITOBA, Lois provided foresight, hands-on guidance and professional management. Lois worked tirelessly on behalf of the Insurance industry. Lois' hard work and integrity earned her the respect of her industry colleagues and of Council's staff.

Lois contributed to the Insurance industry on a local and national level through her involvement with several Insurance industry organizations. Perhaps one of Lois' proudest achievements was her association with the Canadian Insurance Services Regulatory Organization (CISRO), where Lois served as the 2006 and 2007 Chairperson.

THE INSURANCE COUNCIL OF MANITOBA wishes to acknowledge, with thanks, the many expressions of condolence received following the death of Lois from colleagues, associates and friends.

Lois will be deeply missed by all those whose lives she touched.

J. Miles Barber
Chair - Administrative Council
INSURANCE COUNCIL OF MANITOBA

WELCOME TO A NEW MEMBER OF THE INSURANCE ADJUSTERS COUNCIL



Council would like to welcome **James (Jim) Magnan, CRM** to the Insurance Adjusters Council, effective August 1, 2007.

Jim started his insurance industry career in 1963 as an independent adjuster. He has held the position of Senior Adjuster, Examiner and Claims Supervisor with insurance companies in Alberta and Manitoba. Prior to re-entering the independent field, he held the position of Claims Controller for the Manitoba Public Insurance Corporation.

Jim joined Kernaghan Adjusters in 1981 and has managed branches in Ontario and Manitoba. Currently he is the Branch Manager in Winnipeg and part of Kernaghan Adjusters senior management team.

His education includes Risk Management studies at University of Winnipeg, Business and Commerce (University of Manitoba) and business Law (Confederation College).

He and his wife Marlene are the proud parents of three (3) sons and two (2) grandchildren. Jim and Marlene's "place" in Lake of the Woods country provides one of their favourite forms of relaxation.

Welcome

to a new staff member at ICM

The Insurance Council of Manitoba is pleased to welcome Amanda Campbell as our newest staff member. Amanda has filled the position of receptionist since this past August, replacing Andrea Black. If you have called our office within the last few months, or if you have had reason to come through our doors, then you are probably already familiar with her warm and pleasant demeanour and very helpful disposition. We feel that she is going to make a great addition to our staff, so please join us in giving her a warm welcome!



We also wish to extend our best wishes to Andrea Black, who decided to leave us to pursue a law degree. All the best to you Andrea and thank you for your years of excellent service and commitment to the ICM!

Holdng Out

You are reminded that when completing an application for an insurance agent/broker licence that all questions must be completed. If you will be representing an agency/brokerage by means of letterhead, business cards, signage, answering the telephone, etc., the business name must be recorded in the applicable section on the application. In addition, when transferring agencies, brokerages or insurance companies, you must complete a new application and have it signed by the duly appointed person. You should not be licensed in one name and representing yourself in another. If the business name you will be representing is not licenced with the Council, you will be required to incorporate or register the business name with the Manitoba Companies Office and submit a copy of the articles with your application to the Council. Failure to hold out in the manner in which the licence was issued is deemed an infraction against **The Act** and will be subject to a disciplinary review.

CRIMINAL RECORD CHECK

Council has confirmed with the
WINNIPEG POLICE SERVICE
that effective November 20, 2007

CRIMINAL RECORD

SEARCH CERTIFICATES

are no longer required to be signed
by the applicant in order to validate it.
For information on how to apply for a
CRIMINAL RECORD SEARCH,
please visit our website at

WWW.ICM.MB.CA

Please note that this process relates to
Winnipeg City Police specifically, and does
not reflect the requirements of other
law enforcement agencies.

How can we help you?

If there are any issues or questions
that you would like to see addressed
in this Council Report,
please write or email

CONTACTUS@ICM.MB.CA

Thank you!

severe Weather

can create

Property Insurance

Headaches

As severe weather or disaster can strike at any time, it is essential for consumers to educate themselves with the assistance of their agent, broker or insurer about what their insurance actually covers. All Manitobans should review their property insurance needs every year in order to ensure they are adequately protected.

There have been situations where, after a storm, consumers discover they do not have sufficient insurance coverage.

- When examining insurance needs, consumers should consider the age and construction of their home, whether comprehensive coverage is needed, the amount of the deductible, availability of discounts and other factors that may change over time.
- When answering questions on an application for insurance, answers must be accurate and truthful. A policy could be declared void if information is misrepresented.
- Never sign an application for insurance until reading and verifying the accuracy of the information. Be sure to read and understand what is being signed.
- Upon receiving an insurance policy, review with the agent, broker or insurer the policy's coverage including exclusions.
- When considering replacing a policy with a new one, be sure to understand costs, benefits and conditions associated with each policy as well as risks associated with a change.
- When changing insurance companies, consumers should not cancel an existing policy until they are assured of the price and that they have been accepted by the new insurance company.

As part of an annual insurance review, there are important steps consumers should take to better prepare for severe weather or a disaster.

- Take inventory of your property, noting model numbers and serial numbers of items such as appliances. Store this information somewhere outside your home, perhaps with a relative or in a safety deposit box.
- Advise your broker of any major improvements to your property such as a new roof, kitchen counter tops or appliances.
- Talk to an agent, broker or insurer about insurance options and possible gaps in current coverage.
- Learn the facts about your insurance. Different policies are available for homeowners, renters and owners of condominiums. Discuss thoroughly the types of coverage needed with an agent, broker or insurer.

Before purchasing or renewing property insurance, Manitobans can contact the Insurance Council of Manitoba to verify the licensing status of an agent or broker. ICM staff are available to answer questions and investigate complaints concerning all types of insurance coverage.

This submission was prepared by the Financial Institution Regulation Branch and was approved for inclusion in this Council Report. More information is available at <http://www.gov.mb.ca/finance/ccafirb>.



Unauthorized Adjuster Update

On January 10, 2007, Laurie Tomlinson (Risk Sure Inc.) pled guilty and was convicted in Manitoba Provincial Court of seven counts of violations of the *Insurance Act of Manitoba*, including:

Sections 385 (8) "acting as an adjuster without a licence by directly negotiating, investigating, adjusting or settling a loss or claim for compensation or reward or the hope or expectation thereof".

Section 391 "any person who, not being duly licensed as an agent, a broker, or an adjuster, represents or holds himself out to the public as being engaged in the insurance business, by means of advertisements, cards, circulars, letterheads, signs or other methods, is guilty of an offence".

Mr. Tomlinson was previously convicted of four counts of acting as an adjuster without a licence by directly negotiating, investigating, adjusting or settling a loss or claim, for compensation or reward or the hope of expectation thereof" on May 19, 2005.

The January 2007 outcome further validates the consistently held position of **THE INSURANCE COUNCIL OF MANITOBA** with regard to unlicensed activity in the insurance industry.

The Manitoba Court of Appeal has issued an interlocutory injunction enjoining and restraining Laurie Tomlinson, LT Insurance Management & Consulting Inc., Risk Sure Inc., RSI GROUP and rsigroup from acting or attempting to act as an insurance adjuster and from offering, advertising or providing any services with respect to the investigation, adjustment, negotiation or settlement of insured losses and/or insurance claims, within the Province of Manitoba.

Warning: The use of any information in this Council Report to discredit another licensee, or any other person is not permitted and may result in disciplinary action against a licensee using the information in such a manner.

DISCIPLINARY DECISIONS

WAYNE ESAU - Council determined that this General Insurance Agent be fined \$1,000.00 and assessed costs of \$500.00 for failure to properly assess a significant issuance, contrary to the General Insurance Agents Code of Conduct, Sections 2 and 3.

COLIN WHELAN - Council determined that this General Insurance Agent be fined \$500.00 and assessed costs of \$500.00 for misrepresentation on an application for licensing.

MAVIS BRAKE - Council determined that this former Life Insurance Agent is unsuitable to hold a Life Insurance Agent Licence, and fined \$25,000.00 and assessed costs of \$5,000.00 due to contravention of the *Insurance Act*, duty to furnish information, misrepresentation, fraud, deceit & dishonesty, incompetency or untrustworthiness to transact insurance, and Life Insurance Agent Code of Conduct "Priority of Policy Owner Interests" and misrepresentation.

Continuing Education...

Harmonized

Continuing Education Requirements

Council has been working with the other provincial jurisdictions to implement a harmonized continuing education requirement and as a result, non-residents residing in jurisdictions that have continuing education requirements will be deemed to have met the requirement in Manitoba, providing they attach an original non-resident endorsement. Agents/Brokers residing in a jurisdiction where continuing education is not mandatory will be required to comply with Manitoba's continuing education requirements.

Accredited Course Providers

REVOKED OR REMOVED

In our previous Council Report, we touched on moving in the direction of allowing agents/brokers and adjusters to enter their continuing education online. To make this transition smooth, you are urged to ensure the courses and seminars being offered are presented by organizations that are on Council's list of approved course providers. A list of active course providers is accessible under the "Continuing Ed" tab and those that have been either revoked or removed by request, or

failure to furnish Council with information, are available on the home page of our website at www.icm.mb.ca. Courses taken with non-accredited course providers may not be eligible for continuing education credit, and may not be entered online prior to approval. Agents/Brokers, Adjusters and Course Providers will be notified on the procedures for inputting continuing education online once everything is in place.

Continuing Education **Online** Update

As indicated in the summer edition of our Council Report, we are moving toward the technological capability of allowing agents and brokers to enter their credit hours online - and we continue to make much progress toward this goal. We understand that with new technology being introduced, that there comes with it a transitional staging period. However, once this online system is up and running, we strongly urge you to avoid using the paper format as the CE Supplement Form will eventually be phased out entirely and all agents and brokers will be required to input their credit hours online only. Keep a look out for our next Council Report, in which we will be detailing, more specifically, the procedures for this online component.

Questions & Answers

Q. If I, as a new licensee, have been discharged from my bankruptcy over seven years ago, do I still need to provide Council with a copy of my discharge document?

A. Yes, as part of the licensing review process, new licensees must have received either an Absolute Discharge or have already met the conditions and been discharged from a Conditional Discharge, before Council will proceed with licensing.



Q. If I am unable to locate a copy of my bankruptcy discharge, will Council acknowledge a written statement from me as confirmation that I have been discharged?

A. No, you will need to either contact the Trustee that handled your bankruptcy, or you can visit the Office of the Superintendent of Bankruptcy Canada's website to request the document online. Their website address is <http://strategis.ic.gc.ca/epic/site/bsf-osb.nsf/en/home>.

Q. I currently hold a valid licence and I am considering filing an assignment in bankruptcy. Will I have to give up my licence?

A. No, but you will be required to file all documents issued, including the list of creditors, as well as a copy of your discharge document, once received.

THE INSURANCE COUNCIL OF MANITOBA continues to receive questions concerning the completion of disclosure statements. The following outlines some commonly received inquiries and the appropriate responses.

Q. When is a disclosure statement currently required?

A. *A disclosure statement must be completed when the replacement of an individual life insurance policy or rider is intended or contemplated.*

Q. Are disclosure statements required if one of the products (existing or proposed) involves group coverage, creditor life, disability, or critical illness policies?

A. *No disclosure statements are not required.*

Q. If the existing individual life policy was purchased outside of Manitoba or Canada, is a disclosure statement required?

A. *Yes, you must adhere to the requirements of the jurisdiction in which the new business is being conducted. If a new application is being completed in Manitoba for which replacement is intended or contemplated, a disclosure statement must be completed.*

Q. If the consumer is unsure whether they intend to replace their existing coverage, or decides after the application is completed that existing coverage will be replaced, do I need to complete replacement forms?

A. *In this situation, replacement was clearly contemplated in connection with the application for new insurance and the completion of a disclosure statement is required.*

Q. When must I forward a copy of the disclosure statement to the existing insurer?

A. *A copy of the disclosure statement should be forwarded to the head office of the existing insurer within three (3) business days.*

Q. Can I use disclosure statements from other jurisdictions if I do not have any Manitoba forms?

A. *No, disclosures may only be done on the form sanctioned for use in Manitoba.*

Q. Are disclosure statements available from the Insurance Council of Manitoba?

A. *No, blank disclosure statements must be obtained directly from Advocis. The contact information is available under links on the Insurance Council of Manitoba website at www.icm.mb.ca.*

For additional information, please refer to the Step-by-Step Guide for the Replacement of Insurance which is located on the INSURANCE COUNCIL OF MANITOBA website.

Season's Greetings



All of us at the

INSURANCE COUNCIL OF MANITOBA

join in wishing you a happy Holiday Season

and a healthy and prosperous 2008!

Erin Pearson

Ellen Morin

Audrey Treichel

Sandi Saluk

Jill MacKenzie

Amanda Campbell

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